

**REMARKS**

In the Office action<sup>1</sup> dated April 20, 2006, the Examiner rejected claims 3, 4, and 7 under 35 U.S.C. § 112, second paragraph; and claims 1-66 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,456,984 B1 to Demoff et al. ("*Demoff*") in view of Official Notice. Based on the following remarks, Applicants respectfully traverse the rejections under 35 U.S.C. §§ 112 and 103(a).

The Examiner asserts that claims 3, 4, and 7 are "indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention" (Office Action at p. 2). According to the Examiner, the recitation in claim 3, "determining whether the potential transaction is an emergency transaction" is unclear. The recitations "approving the potential transaction based on a determination that declining the potential transaction would cause inconvenience to a holder of the financial account" in claim 4 and "determining whether the product is associated with at least one of a consumer emergency and a consumer necessity" in claim 7 are also cited by the Examiner as unclear (Office Action at p. 3). Applicants respectfully traverse the rejection of claims 3, 4, and 7, and refer the Examiner to M.P.E.P. § 2173.02. In relevant part, M.P.E.P. § 2173.02 states,

"[t]he essential inquiry pertaining to this requirement is whether the claims set out and circumscribe a particular subject matter with a reasonable degree of clarity and particularity. Definiteness of claim language must be analyzed, not in a vacuum, but in light of: (A) The content of the particular application disclosure; (B) The teachings of the

---

<sup>1</sup> The Office Action contains a number of statements reflecting characterizations of the related art and the claims. Regardless of whether any such statement is identified herein, Applicants decline to automatically subscribe to any statement or characterization in the Office Action.

prior art; and (C) The claim interpretation that would be given by one possessing the ordinary level of skill in the pertinent art at the time the invention was made.”

Applicants respectfully disagree with the Examiner’s interpretation of the claims.

Applicants respectfully direct the Examiner to page 8, ¶ 022 of the application disclosure, which describes one embodiment of the invention. The cited portion of the disclosure provides support for “determining whether the potential transaction is an emergency transaction” (claim 3), as well as taking into consideration an “inconvenience” (claim 4) to the cardholder and “consumer emergency” or “consumer necessity” (claim 7).

Applicants respectfully refer the Examiner to M.P.E.P. § 2173.01. In relevant part, M.P.E.P. § 2173.01 states,

“[a] fundamental principle contained in 35 U.S.C. § 112, second paragraph is that applicants are their own lexicographers. They can define in the claims what they regard as their invention essentially in whatever terms they choose so long as any special meaning assigned to a term is clearly set forth in the specification. See MPEP § 2111.01. Applicant may use functional language, alternative expressions, negative limitations, or any style of expression or format of claim which makes clear the boundaries of the subject matter for which protection is sought. As noted by the court in *In re Swinehart*, 439 F.2d 210, 160 USPQ 226 (CCPA 1971), a claim may not be rejected solely because of the type of language used to define the subject matter for which patent protection is sought.”

Applicants’ disclosure at page 10, ¶ 026, recites, “a determination is made as to whether a potential transaction is for products associated with consumer emergencies or necessities, such as transactions involving a hotel, a car rental, an overseas transaction, or an emergency.” Therefore, Applicants’ disclosure provides adequate

support for the term “emergency transaction” in the claims. Thus, contrary to the Examiner’s assertions, claims 3, 4, and 7 are clear and definite. Accordingly, Applicants respectfully request the Examiner withdraw the rejection of claims 3, 4, and 7 under 35 U.S.C. § 112, second paragraph.

The Examiner also asserts that claims 1-66 are unpatentable under 35 U.S.C. § 103(a) over *Demoff* in view of the Examiner’s Official Notice. Applicants traverse the rejection because the Examiner has not established a *prima facie* case of obviousness. To establish a *prima facie* case of obviousness, three basic criteria must be met. First, the prior art reference (or references when combined) must teach or suggest all the claim elements. Furthermore, “[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art.” See M.P.E.P. § 2143.01 (8<sup>th</sup> Ed., Aug. 2001), quoting *In re Wilson*, 424 F.2d 1382, 1385, 165 U.S.P.Q. 494, 496 (C.C.P.A. 1970). Second, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify a reference or to combine reference teachings. Finally, there must be a reasonable expectation of success. See M.P.E.P. § 2143 (8<sup>th</sup> Ed. 2001), pp. 2100-122 to 127.

Regarding claim 1, according to the Examiner, *Demoff* discloses “a method managing financial transactions (with transactions that exceed credit limits)” including “comparing” and “approving the transaction based on comparison.” The Examiner relies on the Abstract and Figure 8, item 302 of *Demoff*. Applicants respectfully disagree. In the cited portion, *Demoff* discloses “method and system” for “issuing credit as payment in a consumer transaction which eliminates the need for a traditional credit

card while also minimizing any potential for fraud of theft.” *Demoff* further discloses responding “to a request for issuing a credit transaction number that is made concurrent with a particular transaction” (Abstract). *Demoff*, however, does not disclose “comparing the merchant credit risk to a threshold value defining an acceptable credit risk and approving the transaction based on the comparison of the merchant credit risk with the threshold value,” as recited in claim 1. Indeed, *Demoff* does not teach and the Examiner does not address determining a merchant credit risk, as recited in claim 1. *Demoff* also fails to disclose “determining a merchant credit risk associated with the determined merchant type,” as recited in claim 1. For at least this reason, the Examiner has failed to establish a *prima facie* case of obviousness.

Additionally, the Examiner admits that *Demoff* does not teach or suggest determining a merchant type. (Office Action at p. 4.) To compensate for this shortcoming, the Examiner takes Official Notice that such processes are “well known in the art” in the form of credit fraud shut-off business practices and it would have been obvious to one of ordinary skill in the art to make the alleged combination. (*Id.*)

Applicants traverse the Examiner’s taking of Official Notice that the above-noted recitations of claim 1 are well known. An Official Notice rejection is improper unless the facts asserted are well-known or common knowledge in the art, and capable of instant and unquestionable demonstration as being well-known. See M.P.E.P. § 2144.03, the procedures set forth in the Memorandum by Stephen G. Kunin, Deputy Commissioner for Patent Examination Policy dated February 21, 2002, and the precedents provided in *Dickinson v. Zurko*, 527 U.S. 150, 50 U.S.P.Q.2d 1930 (1999) and *In re Ahlert*, 424 F.2d 1088, 1091, 165 U.S.P.Q. 418, 420 (CCPA 1970). Further, any facts asserted as well-

known should serve only to “fill in the gaps” in an insubstantial manner. It is never appropriate to rely solely on “common knowledge.”

Further, Applicants traverse the taking of Official Notice and refer the Examiner to MPEP § 2144.03. In relevant part, MPEP § 2144.03 states, “If the examiner is relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding.” Applicants submit that the Examiner has made a generalized statement of personal knowledge without any documentary evidence to support it.

Moreover, Applicants traverse the Examiner’s taking of “Official Notice,” noting the impropriety of this action, as the Federal Circuit has “criticized the USPTO’s reliance on ‘basic knowledge’ or ‘common sense’ to support an obviousness rejection, where there was no evidentiary support in the record for such a finding.” *Id.* Applicants submit that “[d]eficiencies of the cited references cannot be remedied by general conclusions about what is ‘basic knowledge’ or ‘common sense.’” In re Lee, 61 USPQ2d 1430, 1432-1433 (Fed. Cir. 2002), quoting In re Zurko, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001).

Should the Examiner maintain the rejection under 35 U.S.C. § 103(a) after considering the reasoning presented herein, Applicants submit that the Examiner must provide “the explicit basis on which the examiner regards the matter as subject to official notice and allow Applicants to challenge the assertion in the next reply after the Office action in which the common knowledge statement was made,” or else withdraw the rejection. See MPEP § 2144.03.

For these additional reasons, the Examiner has not established a *prima facie* case of obviousness. Thus, the rejection of claim 1 should be withdrawn and the claim allowed.

Independent claims 21, 41, 61, 63, and 65, although of different scope, recite features similar to those of claim 1. As explained, the cited art does not support the rejection of claim 1. Accordingly, the cited art does not support the rejection of claims 21, 41, 61, 63, and 65 for at least the same reasons set forth above in connection with claim 1.

Claims 2-20, 22-40, 42-60, 62, 64, and 66 depend from independent claims 1, 21, 41, 61, 63, and 65, respectively. As explained, the cited art fails to teach or suggest the recitations of claims 1, 21, 41, 61, 63, and 65. As such, the cited art fails to support the rejection of claims 2-20, 22-40, 42-60, 62-64, and 66 for at least the same reasons set forth above for their respective independent claims. In addition, each of the dependent claims recites unique combinations that are neither taught nor suggested by prior art. Therefore, Applicants respectfully request that the Examiner withdraw the rejection of claims 1-66 under 35 U.S.C. § 103(a) and allow the claims.

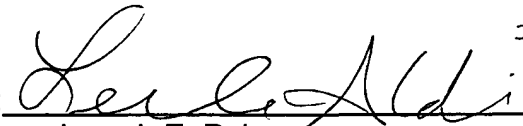
In view of the foregoing amendments and remarks, Applicants respectfully request reconsideration and reexamination of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW,  
GARRETT & DUNNER, L.L.P.

Dated: July 20, 2006

By:  #52399  
for Joseph E. Palys  
Reg. No. 46,508